



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

December 29, 2015

CERTIFIED RETURN RECEIPT REQUESTED  
7014 2870 0001 4231 9357

Chief Consolidated Mining Company  
15988 Silver Pass Road  
P.O. Box 51  
Eureka, Utah 84628

Subject: Failure to Abate Cessation Order # MC-2014-60-06, Chief Consolidated Mining Company, Lime Peak Quarry, M/049/0047, Utah County, Utah


Dear Sir:

On September 8, 2014, you were issued a cessation order for failure to provide adequate surety in the amount of \$8,800. The cessation order had an abatement date of November 8, 2014 to correct the violation. On February 9, 2015, the Division sent out a proposed assessment for a civil penalty in the amount of \$506.00. To date, the Division has not received notification that the required abatement work has been completed, or that the fine has been paid. The proposed assessment was not appealed; therefore the assessed penalty is finalized at \$506.00.

In addition to the above fine, please note that for failing to abate the violation, as per R647-7-103.4, the civil penalty has been increased by a minimum of \$750.00 per day for each day past the abatement date that the violation goes unabated for 30 days. As a result, a separate failure to abate fine has been issued in the amount of \$22,500.

Please remit the above fines within 30 days of this letter. You may contact me at 801-538-5261, or April Abate at 801-538-5214 should you have any questions regarding this letter. Thank you for your prompt response to remedy this situation.

Sincerely,



for Paul B. Baker

Minerals Program Manager

Encl. Cessation Order 9.8.2014

Assessment Letter 2.9.2015

cc: Enirgi Group Corporation, One Adelaide Street East, Suite 3001, Toronto, ON M5C 2V9 CANADA





GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 9, 2015

CERTIFIED RETURN RECEIPT  
7014015000001942784

Sherman Young  
Registered Agent  
Chief Consolidated Mining Co.  
226 W 2230 N  
Provo, UT 84604

Subject: Proposed Assessment for State Cessation Order No. MC-2014-60-06, Chief Consolidated Mining Company, Lime Peak Quarries, M/049/0047, Utah County, Utah

**Response Due By: 30 Days of Receipt**

Dear Mr. Young:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the assessment officer for assessing penalties under R647-7.

Enclosed is the proposed civil penalty assessment for the above referenced cessation order. The cessation order was issued by Division inspector, April Abate on September 8, 2014. Rule R647-7-103 et. seq. has been utilized to determine the proposed penalty of \$506.00. The enclosed worksheet outlines how the civil penalty was assessed.

By these rules, any written information which was submitted by you or your agent within fifteen (15) days of receipt of this Cessation Order has been considered in determining the facts surrounding the violation and the amount of this penalty.

Under R647-7-106, there are two informal appeal options available to you. You may appeal the 'fact of the violation', the proposed civil penalty, or both. If you wish to informally appeal you should file a written request for an informal conference within thirty 30 days of receipt of this letter.

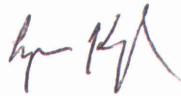
The informal conference will be conducted by a Division-appointed conference officer. The informal conference for the fact of the violation is distinct from the informal assessment conference



regarding the proposed penalty. If you wish to review both the fact of the violation and proposed penalty assessment, you should file a written request for an assessment conference within thirty (30) days of receipt of this letter. In this case, the assessment conference will be scheduled immediately following the review of the fact of the violation.

**If a timely request for review is not made, the fact of the violation will stand, the proposed penalty will become final, and will be due and payable within thirty (30) days of the date of this proposed assessment (by March 13, 2015).** Please remit payment to the Division, mail c/o Sheri Sasaki.

Sincerely,



Lynn Kunzler  
Assessment Officer

LK:mj

Enclosure: Proposed assessment worksheet

cc: Sheri Sasaki, Accounting  
Vickie Southwick, Exec. Sec.

P:\GROUPS\MINERALS\WP\M049-Utah\M0490047-LimePeakQuarries\non-compliance\CO-2014-60-06\pass-6223-02032015.doc



**WORKSHEET FOR ASSESSMENT OF PENALTIES  
DIVISION OF OIL, GAS & MINING  
Minerals Regulatory Program**

NOV / CO #: MC-2014-60-06 PERMIT: M/049/0047  
COMPANY / MINE Chief Consolidated Mining Co./Lime Peak Quarries

ASSESSMENT DATE February 3, 2015  
ASSESSMENT OFFICER Lynn Kunzler

**I. HISTORY (Max. 25 pts.) (R647-7-103.2.11)**

- A. Are there previous violations, which are not pending or vacated, which fall three (3) years of today's date?

PREVIOUS VIOLATIONS	EFFECTIVE DATE	POINTS (1pt for NOV 5pts for CO)
<u>None</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<b>TOTAL HISTORY POINTS <u>0</u></b>		

**II. SERIOUSNESS (Max 45pts) (R647-7-103.2.12)**

- NOTE: For assignment of points in Parts II and III, the following apply:
1. Based on facts supplied by the inspector, the Assessment Officer will determine within each category where the violation falls.
  2. Beginning at the mid-point of the category, the Assessment Officer will adjust the points up or down, utilizing the inspector=s and operator=s statements as guiding documents.

Is this an EVENT (A) or Administrative (B) violation? (B) Event  
(assign points according to A or B)

**A. EVENT VIOLATIONS (Max 45 pts.)**

1. What is the event which the violated standard was designed to prevent?
2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

<u>PROBABILITY</u>	<u>POINT RANGE</u>
None	0
Unlikely	1-9
Likely	10-19
Occurred	20

**ASSIGN PROBABILITY OF OCCURRENCE POINTS 10**

**PROVIDE AN EXPLANATION OF POINTS:**

*With the operator potentially selling this operation, and potential new company not making contact with the Division, it is considered somewhat likely that the operator will not provide the addition surety and if sold, would not do the reclamation. This would leave the Division with a shortage of funds to reclaim the site. Points assigned at the bottom of the Likely range.*

3. What is the extent of actual or potential damage: The Division may not have adequate funds to fully reclaim. The shortage of funds is estimated between 2-4% shortage if the Surety was forfeited now and the reclamation work began this summer.

**ASSIGN DAMAGE POINTS( RANGE 0-25) 5**

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

**PROVIDE AN EXPLANATION OF POINTS:** Points assigned at the lower 20% range due to shortage of funds at this time is estimated to be only 2-4%

**B. ADMINISTRATIVE VIOLATIONS (Max 25pts)**

1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? \_\_\_\_\_  
Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

**ASSIGN HINDRANCE POINTS NA**

**PROVIDE AN EXPLANATION OF POINTS:** \_\_\_\_\_

**TOTAL SERIOUSNESS POINTS (A or B) 15**

**III. DEGREE OF FAULT (Max 30 pts.) (R647-7-103.2.13)**

A. IF SO--NO NEGLIGENCE; or, , IF SO--GREATER DEGREE OF FAULT THAN NEGLIGENCE.		Point Range
No Negligence (Was this an inadvertent violation which was unavoidable by the exercise of reasonable care?)		0
Negligence (was this a failure of a permittee to prevent the occurrence of a violation due to indifference lack of diligence, or lack of reasonable care?)		1-15
Greater Degree of Fault (was this a failure to abate any violation or was economic gain realized by the permittee?)		16-30

STATE DEGREE OF NEGLIGENCE Negligent

**ASSIGN NEGLIGENCE POINTS 8**

**PROVIDE AN EXPLANATION OF POINTS:** Points assigned at mid-point of negligence range. Operator had been notified of need to increase surety in writing. Attempts to verbally notify operator via phone was not successful.

IV. **GOOD FAITH (Max 20 pts.) (R467-7-103.2.14)**

Violation has not yet been abated, therefore Good faith points cannot be awarded.

(Either A or B) (Does not apply to violations requiring no abatement measures, or violations not abated at the time of assessment)

**Has Violation Been Abated? Yes / No**

- A. **EASY ABATEMENT** (The operator had onsite, the resources necessary to achieve compliance of the violated standard within the permit area.)

Immediate Compliance	<u>Point Range</u>
(Immediately following the issuance of the NOV)	-11 to -20
Rapid Compliance	
(Permittee used diligence to abate the violation.	-1 to -10
Violation abated in less time than allotted.)	
Normal Compliance	0
(Operator complied within the abatement period required,	
or, Operator requested an extension to abatement time)	

- B. **DIFFICULT ABATEMENT** (The operator did not have the resources at hand to achieve compliance, or the submission of plans was required prior to physical activity to achieve compliance.)

Rapid Compliance	<u>Point Range</u>
(Permittee used diligence to abate the violation.	-11 to -20
Violation abated in less time than allotted.)	
Normal Compliance	-1 to -10
(Operator complied within the abatement period)	
Extended Compliance	0
(Operator complied within the abatement period required,	
or, Operator requested an extension to abatement time)	
(Permittee took minimal actions for abatement to stay	
within the limits of the violation, or the plan submitted	
for abatement was incomplete.)	

EASY OR DIFFICULT ABATEMENT? \_\_\_\_\_

**ASSIGN GOOD FAITH POINTS** NA

**PROVIDE AN EXPLANATION OF POINTS:** \_\_\_\_\_

V. **ASSESSMENT SUMMARY (R647-7-103.3)**

I.	TOTAL HISTORY POINTS	<u>0</u>
II.	TOTAL SERIOUSNESS POINTS	<u>15</u>
III.	TOTAL NEGLIGENCE POINTS	<u>8</u>
IV.	TOTAL GOOD FAITH POINTS	<u>0</u>
	TOTAL ASSESSED POINTS	<u>23</u>
	<b>TOTAL ASSESSED FINE</b>	<b><u>\$506.00</u></b>



6223



# Citation for Non-Compliance

## Utah Minerals Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114

Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: MC-2014-60-6

Permit Number: M/049/0047

Date Issued: 09/08/2014



NOTICE OF VIOLATION



CESSATION ORDER (CO)



FAILURE TO ABATE CO

Permittee Name: Chief Consolidation Mining Company

Inspector ID and Number: April A. Abate 60

Mine Name: Lime Peak Quarries

Date of Inspection: Not Applicable

Certified Return Receipt Number: 7011 2970 0001 8827 9273

Date and Time of Service: 09/04/2014 01:09 pm

### Nature of condition, practice, or violation:

Failure to provide adequate surety. The operator was notified of additional surety required in a letter dated July 2, 2014 but has not provided the additional surety to date. The surety currently held is a cash bond in the amount of \$106,800. The Division is requiring an additional \$8,800 to bring this permit into compliance.

### Provisions of Act, regulations, or permit violated:

R647-4-113 and 40-8-16- The operator is required to maintain adequate surety for the life of the mine.

For Cessation Orders and Failure to Abate CO's, check appropriate box(es) below:



This order requires Cessation of ALL mining activities.

Or



This order requires Cessation of PORTION(S) of the mining activities.

### Mining activities to be ceased immediately:

Mining operations are not to resume until an adequate surety is posted. Until such time the Notice of Intent to Commence Mining is suspended.



Condition, practice, or violation is creating an imminent danger to health or safety of the public.



Permittee/Operator is/has been conducting mining activities without a Permit.



Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.



Permittee has failed to abate Violation included in Citation # within time for abatement originally fixed or subsequently extended.

### Abatement/corrective action(s) required (for all Citations):

Submit additional surety as outlined in the 7/2/2014 correspondence letter from the Division to Sherman C. Young, agent for Cheif Consolidated Mining Co.

### Abatement Times (if applicable)

11/8/2014

Permittee Representative (Print)

April A. Abate

DOGMR Representative (Print)

Permittee Representative's Signature

Date

DOGMR Representative's Signature

Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information

7014 2870 0001 4231 9357

**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**

**Domestic Mail Only**

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

Postage	\$	M/049/0047 12-29-15 Postmark Here Cancellation Order Lime Peak Quarry
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To CHIEF CONSOLIDATED MINING CO  
15988 SILVER PASS ROAD  
Street & Apt. No., PO BOX 51  
or PO Box No.  
City, State, ZIP+4 EUREKA UT 84628

PS Form 3800, July 2014

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CHIEF CONSOLIDATED MINING CO  
15988 SILVER PASS ROAD  
PO BOX 51  
EUREKA UT 84628

2. Article Number  
(Transfer from service label)

7014 2870 0001 4231 9357

PS Form 3811, July 2013

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature <b>X</b>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		
3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		

E3M/049/0047 12-29-15



**State of Utah**

DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

RETURN SERVICE REQUESTED

**CERTIFIED MAIL®**



7014 2870 0001 4231 9357

CHIEF CONSOLIDATED MINING CO  
15988 SILVER PASS ROAD  
PO BOX 51  
EUREKA UT 84628